

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name: <u>Lee Township, Michigan</u>	County Calhoun
Audit Date March 31, 2005	Opinion Date May 18, 2005	Date Accountant Report Submitted To State: August 10, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|--|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input checked="" type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input checked="" type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): Plante & Moran, PLLC			
Street Address 67 W. Michigan Avenue, Suite 500	City Battle Creek	State MI	ZIP 49017
Accountant Signature 			

July 20, 2005

To the Board of Trustees
Lee Township
Marshall, MI 49068

We have recently completed our audit of Lee Township as of and for the year ended March 31, 2005. We would like to take this opportunity to express our gratitude to Jane and Melanie for their efforts and the cooperation we were afforded in completing our audit. In planning and performing our audit of the financial statements of Lee Township for the year ended March 31, 2005, we considered the Township's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. The consideration we gave to the internal control was not sufficient for us to provide any form of assurance on it; however, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions are significant deficiencies in the design or operation of the internal control that have come to our attention and, in our judgment, could adversely affect the Township's ability to record, process, summarize, and report financial data consistent with management's assertions inherent in the financial statements.

The following two items are considered to be reportable conditions but are not material weaknesses.

Accounting Records

During the course of our audit, we noted that all of the general ledger activity is prepared manually. Maintaining records manually increases the opportunity of errors. We recommend the Township invest in accounting software that will provide the ability to maintain the Township general ledger and related activity electronically.

The Township is also not maintaining a balanced general ledger as required by accounting principles generally accepted in the United States of America (GAAP). A balanced trial balance means that assets of the Township and the related liabilities, amounts owed to others, are recorded in addition to your revenues and expenditures. Currently, the Township maintains ledger sheets for the revenues and expenditures. For a general ledger to be in balance, the assets must equal liabilities minus fund balance plus revenue minus expenditures. To adequately account for the Township's activity, we recommend the Township maintain a balanced general ledger by utilizing an electronic accounting software package.

July 20, 2005

Because a balanced general ledger is not maintained, our staff must spend time before every audit to balance revenue and expenditures with prior assets and liabilities. In the future, there may be a separate fee charged for this time in addition to the audit fee.

Bank Reconciliations

During our audit, we noted that documentation of bank reconciliations is not being kept by the Township. We understand that the clerk and the treasurer do verbally agree cash balances on a monthly basis. To assure that the bank balance reconciles to the general ledger, we recommend the Township keep documentation with the bank statements that shows the bank balance and the general ledger balance and any reconciling items. Plante & Moran, PLLC would be happy to provide a sample bank reconciliation if needed.

Payroll

In the municipal industry, one way local governments experience time efficiencies and increase segregation of duties is through the outsourcing of the payroll function. Companies such as Payroll One, PayChex, ADP, and Ceridian will, for a minimal fee, process your payroll checks, print payroll journals and deduction registers, provide earnings statements, make the appropriate withholding payments, generate the related tax reports (Form 941, etc.), and even track leave time, if requested. This would certainly simplify the process for the Township and also allow the clerk's office more time to devote to other matters, including analytical functions.

This report is intended solely for the information and use of the board of trustees, management, and others within the Township.

Sincerely,

Plante & Moran, PLLC

A handwritten signature in black ink that reads "Sharon L. Vargo". The signature is written in a cursive, flowing style.

Sharon Vargo, CPA
Partner

**Township of Lee
Calhoun County, Michigan**

**Financial Report
with Supplemental information
March 31, 2005**

Township of Lee

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Independent Auditor's Report

To the Members of the Lee Township Board
Township of Lee
Calhoun County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of the Township of Lee as of March 31, 2005 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Township of Lee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective changes in financial position of the Township of Lee as of March 31, 2005 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule, included in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required information. However, we did not examine this data and, accordingly, do not express an opinion thereon.

As discussed in Note 1, the Township adopted Governmental Accounting Standards Board Statement No. 34 during the current year. As a result, these financial statements present entirely new financial information. Governmental activities report information by individually significant funds, as well as in total on the full accrual basis of accounting.

Plante & Moran, PLLC

May 18, 2005

Township of Lee

Management's Discussion and Analysis

Our discussion and analysis of the Township of Lee, Michigan's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2005. Please read it in conjunction with the Township's financial statements.

Using this Annual Report

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and the required supplementary information. The basic financial statements include information that presents the two different views of the Township:

- The first column of the financial statements included information on the Township's General Fund under the modified accrual method. The General Fund financial statements focus on the current financial resources and provide a more detailed view about the accountability of the Township's sources and uses of funds.
- The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full-accrual method.
- The Township as a whole financial statement columns provide both long-term and short-term information about the Township's overall financial status. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. These statements tell how these services were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Township of Lee

Management's Discussion and Analysis (Continued)

Condensed Financial Information

The following table shows, in a condensed format, the total assets, net assets, and changes in net assets as of March 31, 2005. The information is not comparative in the year of implementation, but will be in future years.

Assets

Current assets	\$ 303,066
Capital assets	<u>26,349</u>
Total assets	<u>\$ 329,415</u>

Net Assets

Invested in capital assets - Net of debt	\$ 26,349
Unrestricted	<u>303,066</u>
Total net assets	<u>\$ 329,415</u>

Revenue

Taxes	\$ 25,099
State sources	84,123
Other	<u>22,518</u>
Total revenue	131,740

Expenditures

General government	80,209
Public safety	35,191
Drains at large	4,833
Planning and zoning	<u>8,435</u>
Total expenditures	<u>128,668</u>

Change in Net Assets	<u>\$ 3,072</u>
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Township of Lee

Management's Discussion and Analysis (Continued)

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2005:

- The Township was able to finalize road improvements under Calhoun County's "Prime and Double Seal Program". No Township dollars were used in the fiscal year ended March 31, 2005 under the "Road Maintenance and Improvement Account," compared to the previous year in which the Township spent \$40,889.
- Lee Township contracts for fire services from two government entities and helped purchase fire trucks for both. A payment of \$12,000 was made in the previous fiscal year to one of these entities and a final payment of \$7,500 was made to the other entity this fiscal year. The Township is not expected to have to expend dollars on fire trucks for a few years.

General Fund Budgetary Highlights

The most significant budget highlights relate to the variance in general government actual expenditures compared to budget. During the year, the Township spent substantially less on capital outlay than anticipated. In addition, the expenditures related to ambulance services were reduced due to a new millage through the Marshall Area Fire Fighters Ambulance Authority. Budgeted expenditures related to a contingency fund were also unspent during the year.

Capital Asset and Debt Administration

At the end of 2005, the Township had \$26,349 invested in buildings and equipment. There was no significant capital asset activity during the year ended March 31, 2005.

Economic Factors and Next Year's Budgets and Rates

During the next fiscal year, the Township plans to build a new township hall and hopes to have it completed by the end of calendar year 2005.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

Township of Lee

Balance Sheet - Statement of Net Assets March 31, 2005

	Balance Sheet - Modified Accrual		Township as a Whole
	General Fund	Adjustments (Note 1)	Statement of Net Assets - Full Accrual
Assets			
Cash and investments (Note 2)	\$ 303,066	-	\$ 303,066
Capital assets - Net of accumulated depreciation (Note 3)	-	26,349	26,349
Total assets	<u>\$ 303,066</u>	<u>\$ 26,349</u>	<u>\$ 329,415</u>
Fund Balance/Net Assets			
Fund Balance/Net Assets			
Fund balance - Undesignated	<u>\$ 303,066</u>	\$ (303,066)	\$ -
Net Assets			
Invested in capital assets - Net of debt		26,349	26,349
Unrestricted		303,066	303,066
Total net assets		<u>\$ 329,415</u>	<u>\$ 329,415</u>

Township of Lee

Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended March 31, 2005

	Modified Accrual	Township as a Whole	
		Adjustments	Statements of
	General Fund	(Note 1)	Activities - Full Accrual
Revenue			
Taxes	\$ 25,099	\$ -	\$ 25,099
State sources	84,123	-	84,123
Licenses and permits	11,069	-	11,069
Interest	3,652	-	3,652
Miscellaneous	7,797	-	7,797
Total revenue	131,740	-	131,740
Expenditures			
General government	79,138	1,071	80,209
Public safety	35,191	-	35,191
Drains at large	4,833	-	4,833
Planning and zoning	8,435	-	8,435
Total expenditures	127,597	1,071	128,668
Excess of Revenue Over Expenditures	4,143	(1,071)	3,072
Fund Balance/Net Assets - April 1, 2004	298,923	27,420	326,343
Fund Balance/Net Assets - March 31, 2005	\$ 303,066	\$ 26,349	\$ 329,415

Township of Lee

Notes to Financial Statements March 31, 2005

Note I - Nature of Organization and Summary of Significant Accounting Policies

The accounting policies of the Township of Lee (the "Township") conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which requires significant changes in the financial statements, including the following:

- A management's discussion and analysis (MD&A) section, providing an analysis of the Township's overall financial position and results of operations
- Financial statements prepared using full accrual accounting for all of the Township's activities
- A change in the fund financial statements to focus on major funds

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

The Township of Lee recorded capital assets and the related depreciation for the year ended March 31, 2005 as required by GASB 34.

Reporting Entity

The Township is governed by an elected five-member board of trustees. In accordance with generally accepted accounting principles, there are no component units to be included in these financial statements.

The Township is a member of the Marshall Area Firefighters Ambulance Authority. The Authority receives a millage to provide emergency medical services to the Township along with other townships and cities that are part of the Authority. The Township does not have an equity interest in the Authority.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Township of Lee

Notes to Financial Statements March 31, 2005

Note I - Nature of Organization and Summary of Significant Accounting Policies (Continued)

The statement of net assets includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Township's net assets are reported in two parts - invested in capital assets, net of related debt and unrestricted net assets.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

The Township has only one major fund, the General Fund. The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Property Taxes - Property taxes are levied on each December 1 on the taxable value of the property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2004 tax is levied and collectible on December 1, 2004 and is recognized as revenue in the year ended March 31, 2005, when the proceeds of the levy are budgeted and available for the financing of operations.

Township of Lee

Notes to Financial Statements March 31, 2005

Note I - Nature of Organization and Summary of Significant Accounting Policies (Continued)

The 2004 taxable valuation of the Township totaled \$29 million, on which taxes levied consisted of .9295 mills for operating purposes. This resulted in approximately \$25,000 for operating purposes. This amount is recognized in the General Fund financial statements as tax revenue.

Assets, Liabilities, and Net Assets, or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the "township as a whole" column in the government-wide financial statements.

Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Building improvements, furniture and fixtures, and equipment are depreciated using the straight-line method over the following useful lives:

Building improvements	20-50 years
Equipment	5-10 years

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Township of Lee

Notes to Financial Statements March 31, 2005

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The Township has designated two banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Township's deposits and investment policies are in accordance with statutory authority.

	Cash and Investments
Deposits	\$ 30,752
Investments	<u>272,314</u>
Total	<u>\$ 303,066</u>

Deposits

The bank balance of the Township's deposits is \$36,733, which is covered entirely by federal depository insurance.

Investments

Investments are categorized into these three categories of credit risk:

Category 1 - Insured or registered, with securities held by the Township or its agent in the Township's name;

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township name; and

Township of Lee

Notes to Financial Statements March 31, 2005

Note 2 - Deposits and Investments (Continued)

Category 3 - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

At year end, the Township's investment balances were categorized as follows:

	Category			Carrying Amount Equal to FMV
	1	2	3	
U.S. government securities	<u>\$ 51,150</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 51,150
Mutual funds				<u>221,164</u>
Total investments				<u>\$ 272,314</u>

Investments not subject to categorization are not evidenced by securities that exist in physical or book entry form. The mutual funds are registered with the SEC.

The Township has approximately \$51,000 of securities issued by the Government National Mortgage Association (GNMA). These investments are backed by the full faith and credit of the U.S. government. The yields provided by these mortgage-related securities historically have exceeded the yields on other types of U.S. government securities with comparable maturities, in large due to the potential for prepayment. Prepayment could result in difficulty in reinvesting the prepaid amounts in investments in comparable yields.

Township of Lee

Notes to Financial Statements March 31, 2005

Note 3 - Capital Assets

Capital asset activity of the Township's governmental activities was as follows:

	Balance April 1, 2004	Additions	Disposals	Balance March 31, 2005
Assets not being depreciated -				
Land	\$ 20,564	\$ -	\$ -	\$ 20,564
Depreciable capital assets:				
Equipment	23,897	330	-	24,227
Building improvements	3,791	-	-	3,791
Subtotal	27,688	330	-	28,018
Less accumulated depreciation	20,832	1,401	-	22,233
Net capital assets being depreciated	6,856	(1,071)	-	5,785
Net capital assets	<u>\$ 27,420</u>	<u>\$ (1,071)</u>	<u>\$ -</u>	<u>\$ 26,349</u>

Depreciation expense of \$1,401 was charged to the general government activity.

Note 4 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for these risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Township of Lee

Notes to Financial Statements March 31, 2005

Note 5 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Surplus - April 1, 2004	\$ -
Current year building permit revenue	3,347
Related expenses	<u>(3,347)</u>
Surplus - March 31, 2005	<u>\$ -</u>

Note 6 - Township Hall Construction

Subsequent to March 31, 2005, the Township entered into agreements for the construction and related debt for a new township hall. The estimated cost and related debt for the township hall is approximately \$300,000 and is expected to be completed by December 2005.

Required Supplemental Information

Township of Lee

Budgetary Comparison Schedule - General Fund Year Ended March 31, 2005

	Original Budget	Amended Budget	Actual	Variance Over (Under) Budget
Revenue				
Current tax levy	\$ 29,000	\$ 51,505	\$ 25,099	\$ (26,406)
State-shared revenue	86,000	86,000	84,123	(1,877)
Licenses and permits	6,000	12,000	11,069	(931)
Investment income	18,701	18,701	3,652	(15,049)
Miscellaneous	5,500	8,500	7,797	(703)
Total revenue	145,201	176,706	131,740	(44,966)
Expenditures				
Board	9,000	9,000	7,342	(1,658)
Supervisor	7,850	7,910	7,722	(188)
Elections	2,100	2,365	2,362	(3)
Assessor	10,100	10,100	9,951	(149)
Attorney	2,500	2,500	1,837	(663)
Clerk	8,435	8,435	8,313	(122)
Board of review	1,350	1,350	973	(377)
Treasurer	8,525	8,525	7,954	(571)
Building hall and grounds	11,850	11,850	3,003	(8,847)
Cemetery	1,500	1,500	1,200	(300)
Farmland preservation	2,000	2,000	-	(2,000)
Building inspector	2,500	4,000	3,347	(653)
Electrical inspector	1,250	4,062	3,257	(805)
Plumbing/Mechanical inspector	2,150	3,850	3,645	(205)
Library support	2,134	2,134	2,134	-
Social Security	1,600	1,600	1,460	(140)
Insurance	7,000	7,250	7,238	(12)
Contingency fund	20,000	13,413	-	(13,413)
Tax chargebacks	50	50	-	(50)
Ordinance enforcement	5,500	5,500	3,903	(1,597)
Ambulance contract	6,000	6,000	3,497	(2,503)
Public safety	41,300	41,300	35,191	(6,109)
Drains at large	7,100	7,100	4,833	(2,267)
Planning and zoning	11,540	11,540	8,435	(3,105)
Total expenditures	173,334	173,334	127,597	(45,737)
Excess of Revenue Over (Under)				
Expenditures	(28,133)	3,372	4,143	771
Fund Balance - April 1, 2004	298,923	298,923	298,923	-
Fund Balance - March 31, 2005	<u>\$ 270,790</u>	<u>\$ 302,295</u>	<u>\$ 303,066</u>	<u>\$ 771</u>

Township of Lee

Note to Required Supplemental Information Budgetary Comparison Schedule - General Fund March 31, 2005

Note - Budget Information

The annual budget is prepared by the Township clerk and adopted by the Township board; subsequent amendments are approved by the Township board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2005 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with generally accepted accounting principles. The budget statement (budgetary comparison schedule - General Fund) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on a departmental basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

TOWNSHIP OF LEE

Master Document

FIELD	VALUES
Company Name (Headings)	Township of Lee
Company Name (Text) March 31, 2005	Township of Lee
D/B/A	d/b/a
Year End	March 31, 2005
Prior Year	March 31, 2003
2 Year Prior	March 31, 2001
Opinion Date	May 18, 2005
Comparative Date	March 31, 2005 and 2003
a2003	2005
a2001	2003
a2000	2001
a1998	1998
a2003and2001	2005 and 2003